

REMARKS


Applicants have carefully studied the outstanding Official Action. The present response is intended to be fully responsive to all points of rejection and is believed to place the application in condition for allowance. Favorable reconsideration and allowance of the present application are hereby respectfully requested.


Claims 1 - 11, 13, 15, 16, 18 - 27, and 41 - 49 are pending in the application.

Claims 1 - 5, 15, 16, 26, and 27 stand rejected under 35 USC 102(e) as being anticipated by US Patent 6,529,725 to Joao et al.

Joao et al describes a transaction security apparatus and method including a communication device associated with an individual account holder.

In rejecting claims 1, 2, 5, 15, 16, 26, and 27, the Examiner takes the position that Joao et al describes, inter alia, "storing ... a proximity location or a distance from a predetermined location at which the portable device is authorized...."

Applicants respectfully disagree with the Examiner's interpretation of Joao et al. Applicants have carefully studied Joao et al, including col. 7, lines 47 - 67 as cited by the Examiner, and find that Joao et al does not describe or suggest "proximity determination apparatus operative to determine a distance between the portable transaction device and a predetermined location" as recited, for example, in claim 1 of the present application. 

Joao et al clearly defines the term "location", at col. 6, lines 27 - 28, as follows: "location (i.e. city, town, village, state, country, etc.)...." Joao et al describes determining a location, that is, determining whether a transaction takes place in a particular town, village, state, country, etc.; see, for example col. 7, lines 47 - 67 as cited by the Examiner. Joao nowhere describes or suggests determining a distance between a portable transaction device and a predetermined location, as recited in claim 1. Thus, Joao et al does not anticipate the present invention as claimed in claim 1. 

Claim 1 is therefore deemed allowable.

Claims 2 - 5 depend directly or indirectly from claim 1 and recite additional patentable subject matter.

Claims 2 - 5 are therefore deemed allowable.

Claim 15 recites, inter alia, that the authorization apparatus "is operative to authorize use of the portable element up to a quantitative use limit, and the use limit is a function of at least one of the following: an elapsed time since a predetermined time; a fixed time; a distance from a specified location; a type of transaction; and an identity of an authorized person authorized to use the portable element."

Applicants respectfully point out that the Examiner, in rejecting claim 15, did not refer to the recitation of claim 15 quoted above; therefore, the Examiner has failed to make a *prima facie* case of unpatentability of claim 15, and the Examiner's rejection of claim 15 is therefore improper and should be withdrawn.

Furthermore, Applicants have carefully studied Joao et al and find that at least the feature of a quantitative use limit, as recited in the portion of claim 15 quoted above, is neither described nor suggested in Joao et al.

Claim 15 is therefore deemed allowable.

Claim 16 depends from claim 15 and recites additional patentable subject matter.

Claim 16 is therefore deemed allowable.

Claim 26 is a method claim corresponding to apparatus claim 1 and is therefore deemed allowable with reference to the above discussion of claim 1.

Claim 27 is a method claim corresponding to apparatus claim 15 and is therefore deemed allowable with reference to the above discussion of claim 15.

Claims 6 - 8 stand rejected under 35 USC 103(a) as being unpatentable over Joao et al, and further in view of US Patent 6,325,292 to Sehr.

Sehr describes a card system and methods for collector cards. The system of Sehr includes biometric identification and verification.

Claims 6 - 8 depend indirectly from claim 1 and recite additional patentable subject matter.

Claims 6 - 8 are therefore deemed allowable with reference to the above discussion of the allowability of claim 1.

Claims 9 - 11, 13, 18, 19, 22 - 25, and 42 - 46 stand rejected under 35 USC 103(a) as being unpatentable over Joao et al, and further in view of US Patent 5,914,472 to Foladore et al.

Foladore et al describes a credit card spending authorization control system, in which control is provided by a central database containing account information and spending limits.

As discussed in detail below with reference to the Examiner's rejection of claim 42, Applicants believe that the combination of Joao et al and Foladore is not proper. In addition, claims 9 - 11, 13, 18, 19, and 22 - 25 are deemed allowable as follows:

Claims 9 - 11 and 13 depend directly or indirectly from claim 1 and recite additional patentable subject matter. Claims 9 - 11 and 13 are therefore deemed allowable with reference to the above discussion of the allowability of claim 1.

Claims 18, 19, and 22 - 25 depend directly or indirectly from claim 15 and recite additional patentable subject matter. Claims 18, 19, and 22 - 25 are therefore deemed allowable with reference to the above discussion of the allowability of claim 15.

Claim 42 recites a portable transaction device comprising, inter alia, "user determination apparatus operative to determine whether the user is an authentic control user based, at least in part, on the user-identifying input and on the information stored in the control user identity unit; and use limit apparatus operative to limit use of the portable device in accordance with the at least one user selectable use limitation if the user is determined to be an authentic control user by the user determination apparatus."

In Foladore et al, by contrast, communication with a central computer is necessary to authorize a transaction, and authorization includes querying an account holder; see, for example, col. 4, line 58 - col. 5, line 8.

While the Examiner states that "[it] would have been obvious" to combine Foladore et al and Joao et al, Applicants respectfully point out that it is

not clear from the Examiner's objection what motivation is alleged to exist for combining such disparate references. Conclusory statements are insufficient, and it is necessary to articulate the rationale for choosing particular combinations of prior art. *In re Lee*, 277 F.3d 1338, 1345, 61 USPQ2d 1430, 1435 (Fed. Cir. 2002). "[P]articular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed." *Id.* at 1343, 61 USPQ2d at 1433. The examiner can satisfy the burden of showing obviousness of a combination only by showing objective teaching in the prior art or other objective evidence that one of ordinary skill in the art would combine the relevant teachings of the references. *Id.* at 1343, 61 USPQ2d at 1434. The mere fact that teachings found in the prior art could be combined as proposed by an examiner does not make the combination obvious absent some objective teaching, suggestion or incentive supporting the proposed combination. *Ex parte Metcalf*, 67 USPQ2d 1633, 1635 (Bd.Pat.App. 2003).

Further, it is not clear how the systems of Joao et al and of Foladore et al could be combined. Finally, even if the systems of Joao et al and of Foladore et al could be combined and were to be combined, the result would be a system requiring querying an account holder for authorization via communication with a central computer. Any possible combination of Joao et al and Foladore et al would be very different from the present invention as claimed in claim 42, and would in fact teach away from the present invention as claimed in claim 42, since in claim 42 the user determination apparatus and the use limit apparatus are comprised in the portable transaction device.


Claim 42 is therefore deemed allowable.

Claims 43 - 46 depend directly or indirectly from claim 42 and recite additional patentable subject matter.

Claims 43 - 46 are therefore deemed allowable.

Claims 20, 21, and 41 stand rejected under 35 USC 103(a) as being unpatentable over Joao et al and further in view of US Patent 5,561,709 to Remillard.

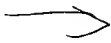
Remillard describes an electronic device for information services, usable with a conventional television set.

Applicants have carefully studied Remillard, and finds that Remillard does not describe "a financial apparatus", as stated by the Examiner, but rather a device for accessing information services via a conventional television set. Therefore, Applicants respectfully point out that there would be no motivation for combining Joao et al with Remillard, since the fields of the two references are unrelated, and the Examiner has failed to provide a proper motivation for combining the references. *Lee; Metcalf*. 

Furthermore, claims 20 and 21 depend directly or indirectly from claim 15, deemed allowable with reference to the discussion above, and recite additional patentable subject matter.

Claims 20, 21, and 41 are therefore deemed allowable.

Claims 47 and 48 stand rejected under 35 USC 103(a) as being unpatentable over Joao et al and Foladore et al, and further in view of Sehr. Since the Examiner also discusses claim 49 in the context of the rejection of claims 47 and 48, it appears that the Examiner intended to reject claims 47 - 49 under 35 USC 103(a) as being unpatentable over Joao et al and Foladore et al, and further in view of Sehr.

Concerning the rejection of claims 47 - 49, Applicants refer to the discussion above of the rejection of claims 1 - 5, 15, 16, 26 and 27 with regard to what is described in Joao et al. Furthermore, Applicants refer to the discussion above of the rejection of claims 9 - 11, 13, 18, 19, 22 - 25, and 42 - 46 with regard to the combination of Joao et al and Foladore et al. The above discussions apply *a fortiori* to the combination of Joao et al, Foladore et al, and Sehr in the Examiner's rejection of claims 47 - 49. 

In addition, claims 47 - 49 depend from claim 42, deemed allowable with reference to the discussion above, and recite additional patentable subject matter.

Claims 47 - 49 are therefore deemed allowable.

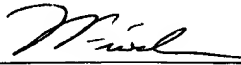
In view of the foregoing remarks, it is respectfully submitted that the present application is now in condition for allowance. Favorable

reconsideration and allowance of the present application are respectfully requested.

Respectfully submitted,

1 December 2003

WELSH & KATZ, LTD.
120 South Riverside Plaza
22nd Floor
Chicago, Illinois 60606
(312) 655-1500



L. Friedman
Reg. No. 37,135